



**Joint Committee on Appropriations**  
SENATOR DEB PETERS, CO-CHAIR  
REPRESENTATIVE JUSTIN CRONIN, CO-CHAIR

April 1, 2016

Dr. Melody Schopp, Secretary  
Department of Education  
800 Governors Drive  
Pierre, SD 57501

Dear Dr. Schopp:

SB133 addresses provisions regarding shared services provided by the state to school districts. Agents used in the past by the department for providing shared services include education service agencies and educational cooperatives. In addition, a significant amount of funding flows from the Department to these entities.

The Committee requests that that the Department of Education undertake a review of the educational cooperatives and the education service agencies and their role in providing efficiencies and services for public school districts. The review should include the following:

1. A history of educational cooperatives and education service agencies;
2. The original intent of educational cooperatives and education service agencies;
3. The types of services offered by educational cooperatives and education service agencies and if any of these services fall outside the scope of educational cooperatives and education service agencies;
4. What systems of accountability are there for educational cooperatives and education service agencies;
5. A review of statutes regarding educational cooperatives and education service agencies; and
6. A review of contracts between the Department of Education and educational cooperatives and education service agencies, to include a cost/benefit analysis of providing any of these services at the department level instead of contracting for them.

The results of the review should be reported to the Committee by December 6, 2016. If you have any questions, please contact Annie Mehlhaff with the Legislative Research Council at 773-3251.

Thank you for your cooperation.

A handwritten signature in blue ink, appearing to read "Deb Peters".

Senator Deb Peters  
Co-Chair, Joint Committee on Appropriations

A handwritten signature in blue ink, appearing to read "Justin Cronin".

Representative Justin Cronin  
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General  
Jason Dilges, Commissioner, Bureau of Finance and Management